
Subject: Authorization Process for New Vendors

Effective Date: October 1, 2006

Revised from:

Policy: The SA must authorize an adequate number of vendors to ensure reasonable availability and accessibility to WIC clients. This policy identifies the process the SA and LA uses to accept vendor applications and to authorize, train and support newly authorized vendors.

The SA prohibits any new or additional vendors that are likely to derive 50 percent or more of their annual food sales from the sale of supplemental foods to WIC clients.

The SA will apply this policy to all types of vendors seeking Kansas WIC program authorization, which may include small independently owned stores, chain stores, and commissaries. Vendors undergoing a Change of Ownership (VEN 03.00.00) must apply for authorization based upon these same procedures.

The SA will not pay any WIC check accepted by the applicant prior to approval of the applicant's Vendor Participation Contract.

Reference: 7 CFR Part 246.12

Procedure:

1. Requesting an Application Packet

- a. An applicant may contact the SA or LA either in writing, by telephone or in person to request an application be mailed to them. An applicant may also download the application packet from the Kansas WIC web site at:
http://www.kdheks.gov/nws-wic/vendor_info.htm.
- b. The SA will mail the application packet to the applicant along with a Vendor Participation Contract. The application packet includes the following documents:
 - (1) Cover Letter
 - (2) Evaluation and Selection Criteria
 - (3) Designation of Kansas Counties
 - (4) Minimum Stock Requirements for Urban and Rural Counties
 - (5) Vendor Application
 - (6) Vendor Price Survey
- c. The applicant will return the completed application, price survey and the signed contract to the SA. If a LA receives a completed application, price survey and/or contract, the LA should immediately forward the originals to the SA.
- d. Applicants who submit incomplete application forms might delay the SA's abilities to review and make selection decisions pertaining to their authorization status.

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- e. Applicants who submit a completed application and all required information will be entered into the KWIC system and assigned a vendor number.
- f. Applicants who receive or will receive 50 percent or more of their annual food sales from the sale of supplemental foods from WIC clients will be sent a denial letter based on this fact.
- g. Any applicant who does not pass the Evaluation and Selection process will be sent a denial letter. The letter will allow fifteen (15) calendar days from the date of the letter for the applicant to request an administrative review. This request must be in writing and shall explain the reasons for requesting the review. The request shall be addressed to the Director, KDHE, Nutrition and WIC Services, Curtis Building, 1000 SW Jackson, Suite 220, Topeka, Kansas 66612-1274. The administrative appeal process for vendors is described in the Kansas WIC Vendor Procedures Manual. An applicant is eligible to reapply in six (6) months after the dated denial letter.
- h. The SA will notify the LA of the approved application, complete with contact information for the applicant. This will serve as a request for the LA to conduct an evaluation of the applicant's place of business.

2. LA Evaluation

- a. Any applicant selected for further evaluation consideration must pass an evaluation visit, including an assessment of the applicant's stock. The LA will verify the information provided by the applicant during the on-site visit, i.e. pricing, hours of operation, food variety/selection, etc. (See PPM Evaluation of Vendors VEN 02.02.00)
- b. Any applicant that does not pass the evaluation visit, including the minimum stock requirement, will be provided information regarding the deficiencies found. The LA staff may arrange a follow-up evaluation.
- c. Based on the type and variety of food and formula stocked, an applicant's authorization may be denied if it is determined by the WIC Program that once authorized the applicant is likely to generate 50 percent or more of its revenue from the WIC Program solely.
- d. After an applicant passes the on-site evaluation, the LA staff shall mail the original paperwork to the SA for final review. LA staff shall place a copy of the paperwork in their vendor file.

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3. Training

- a. Each approved applicant must attend a mandatory training session conducted by LA staff. The training must include instruction on the purpose of the WIC program, the supplemental foods authorized by the SA, the minimum varieties and quantities of authorized supplemental foods that must be stocked by vendors, the procedures for transacting and redeeming WIC checks, the vendor sanction system, the vendor complaint process, the claims procedures, and any changes to program requirements since the last training.
- b. After conducting mandatory training, the LA staff will notify the SA in writing, that the training was completed and entered into the KWIC system.

4. Final Authorization

- a. Once the training outlined above has been provided to the store owner/manager and/or cashiers, the WIC Program Director will sign the Vendor Participation Contract. A signed copy of the Contract will be sent to the newly authorized vendor. The SA will also send a letter to the LA notifying them of the applicant's status as an authorized vendor.
- b. An applicant must not accept WIC checks until **each** criteria listed below have been met:
 - Applicant passes Evaluation and Selection criteria.
 - Applicant passes the on-site evaluation visit
 - Applicant attends mandatory training conducted by the LA
 - Applicant has properly trained all store staff handling WIC transactions
 - Applicant has received a copy of the signed Vendor Participation Contract
 - Applicant has received a WIC Program authorization stamp/vendor identification number issued by the SA.

5. Probationary Status

- a. The SA shall consider all newly authorized vendors as "Probationary" for a one-year period. This one-year period begins from the date the vendor is sent the Welcome Letter and signed Vendor Participation Contract. During this period, the SA or LA shall conduct at least one monitoring visit as outlined in Vendor Monitoring (VEN 06.00.00).
- b. The SA may extend the probationary period as deemed appropriate based upon unsatisfactory monitoring results. The SA may only extend the probationary period once for an additional six months. After the six-month extension period has expired, the SA will determine what administrative action it will take (i.e. change of status or disqualify the vendor).

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- c. After one year of continuous participation in the Kansas WIC program, the SA expects vendors to meet the minimum performance threshold as specified in Vendor Evaluation and Selection (VEN 02.01.00).

6. Re-Assessment

- a. All new vendors shall be reassessed within six months after authorization to determine whether or not they meet the above-50-percent criteria.
- b. The SA shall take necessary follow- up action, such as terminating the Vendor Participation Contract if it is determined that the vendor has derived 50 percent or more of their annual food sales from the sale of supplemental foods to WIC clients.